Form 3160-5
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

5. Lease Serial No.
NMSF078997

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NMNM78419D

1. Type of Well
☐ Oil Well ☐ Gas Well ☒ Other: COAL BED METHANE

8. Well Name and No.
SJ 30-5 260A

2. Name of Operator
CONOCOPHILLIPS COMPANY
Contact: DEBORAH MARBERRY
E-Mail: deborah.marberry@conocophillips.com

9. API Well No.
30-039-27256-00-X1

3a. Address
PO BOX 2197 WL3 4066
HOUSTON, TX 77252

3b. Phone No. (include area code)
Ph: 832.486.2326
Fx: 832.486.2688

10. Field and Pool, or Exploratory
BASIN FRUITLAND COAL

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 9 T30N R5W SENW 1355FNL 1805FWL
36.83083 N Lat, 107.36500 W Lon

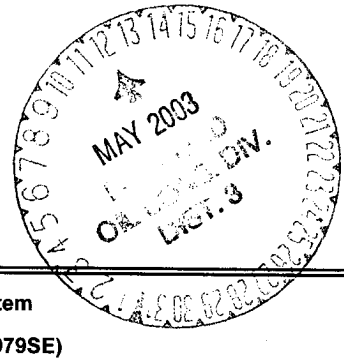
11. County or Parish, and State
RIO ARRIBA COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

ConocoPhillips request approval to move onto this well and repair bradenhead as per the attached procedure.



14. I hereby certify that the foregoing is true and correct.
Electronic Submission #21581 verified by the BLM Well Information System
For CONOCOPHILLIPS COMPANY, sent to the Farmington
Committed to AFMSS for processing by Jim Lovato on 05/09/2003 (03JXL0079SE)

Name *(Printed/Typed)* DEBORAH MARBERRY — Title SUBMITTING CONTACT

Signature (Electronic Submission) — Date 05/08/2003

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By JIM LOVATO — Title PETROLEUM ENGINEER — Date 05/09/2003

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office Farmington

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

NMOCD

CONOCOPHILLIPS
SAN JUAN ASSET
WORKOVER – Intermediate Casing Repair
San Juan 30-5 Unit #260A

LOCATION: Unit H, 2629' FNL, 697' FEL **DATE:** May 7, 2003
Section 9 – T30N – R5W, Rio Arriba County, NM
Latitude – 36 Degrees 49 Minutes 51 Seconds North
Longitude – 107 Degrees 21 Minutes 54 Seconds West
API No. 30-039-27256-00-X1

CURRENT STATUS: Producing Fruitland Coal well with a failed Bradenhead. The well is currently flowing up tubing approximately 750 Mscfd and 2 bbl/day water at a tubing pressure of approximately 170 psig. Last recorded surface and intermediate casing pressures were equal at 257 psig. Flowing bottom hole pressure is calculated to be approximately 280 psi. The surface casing flows a significant volume of gas and the intermediate casing pressure drops significantly when the surface casing is open to atmosphere. A cathodic protection well located approximately 2000' east of the #260A well at the 30-5 #264 well is believed to be bubbling water due to the failed Bradenhead.

Isolation Procedure:

1. Inspect all rig anchors prior to rig MI.

2. Hold Safety Meeting.

   Note: Record and report in Daily Report for applicable procedures all pressures.

3. Monitor and record tubing pressure for 5 minutes. Monitor and record simultaneously surface and intermediate casing pressures for 10 minutes. Report pressures to Scott Seeby and Richard Allred.

   Note: All kill water and water used for pressure testing below is to be produced Fruitland Coalseam. Record and report in Daily Report for applicable procedures all volumes of water pumped.

4. MIRU Key Rig #15. RU on wellhead with pump and pump ***2*** tubing volume of water down tubing.

5. ***RU slickline unit and set 1.81" FWE plug in "F" nipple at 3088'. Observe for flow for 30 minutes. Load tubing with water. (added)***

6. Blow surface and intermediate casings to atmosphere. Pump sufficient volume of water down intermediate casing to control well. Always keep pump line tied to intermediate casing.

7. ***Set Two-way valve in tubing hanger. ND tree. NU BOP stack (with rams as listed from top to bottom) and choke manifold.***

   - 2-3/8" Pipe Rams

- Blind Rams

8. Test blind, pipe rams, and choke manifold per Conoco and/or Phillips well control manual to 200 psig for 5 minutes and 3000 psig for 10 minutes.

9. ***PUH and remove hanger and Two-way valve.***

10. RIH with 2-3/8" tubing, tag and determine fill.

11. Pull and tally 2-3/8" production tubing, "F" nipple, and expendable check.

Note: Put pipe dope only on pin-ends while GIH with tubing string.

12. ***PU 6-1/4" O.D. or nominal 7" (7", 20#, J-55, ST&C drift = 6.331") casing scraper on 2-3/8" production tubing. RIH to +/- 2910' RKB (2' above liner hanger top). Pull tubing and casing scraper. Report results of scraper run to Richard Allred and Scott Seeby.***

13. PU Baker Model "L" bridge plug retrieving head and Baker Model "G" bridge plug on 2-3/8" production tubing. RIH to +/-2907' RKB (5' above liner hanger top) and set plug. (Note: A Model "G" rather than any other model bridge plug is being run because of its by-pass and equalizing capabilities. A packer cannot be run in tandem with a Model "G" bridge plug ***because both are right hand set.***)

14. Load intermediate/tubing annulus down tubing with water. Pull tubing and retrieving head.

15. PU Baker Model "C" packer on 2-3/8" production tubing. RIH to 2902' RKB (5' above bridge plug) and set packer.

16. Pressure test down tubing bridge plug, packer, and tubing to 1000 psig.

17. Pressure test down intermediate/tubing casing annulus to 1000 psig.

18. Release packer and move up hole to find general depth of intermediate casing leak if intermediate/tubing annulus fails pressure test by releasing and setting packer and pressure testing down tubing at 1000 psig.

19. Isolate intermediate casing leak depth by releasing and setting packer and pressure testing alternately down tubing and intermediate/tubing annulus at 1000 psig.

20. RU Blue Jet wireline. Install and test lubricator to ***2000*** psig consisting of Bowen H. P. type or equivalent stuffing box rated to 5,000 psig, 4-1/2", 10.5#, J-55 casing tube rated to 4,790 psig and Bowen H. P. type or equivalent wireline BOP rated to 5,000 psig. (all connections to be rated to 5,000 psig).

21. RIH with sand dump and dump two sacks of sand on top of bridge plug at +/-2907' RKB. Pull sand dump.

22. RIH with CCL/GR/CBL and log intermediate casing from bridge plug at +/- 2907' to intermediate casing water level/leak.

Cement Squeeze Procedure:

The procedures below are general and will be refined after the above Isolation Procedures are completed.

23. ***RIH with packer on 2-3/8" tubing and set above intermediate casing leak. Spot Rig Hand at 30-5 #264 well to monitor cathodic protection well and 30-5 #264 well's surface casing pressure.***

24. ***Pressure test packer down intermediate/tubing annulus to 1000 psig. Pump dwon tubing into intermediate casing leak to establish injection rate for cement squeeze job. (added)***

25. Determine type, volume, and pressure to pump squeeze cement based on intermediate leak depth, lithology, and injection rate.

26. Rig up Halliburton and pump sufficient volume of squeeze cement down tubing using either the high or low pressure squeeze method and displace with water to squeeze intermediate casing leak.

27. ***Pull tubing and packer.*** Wait a minimum of 12 hours for squeeze cement to cure.

28. PU 6-1/4" bit on production tubing and drill out cement. Pressure test intermediate casing down intermediate/tubing annulus to 1000 psig to test squeeze job.

29. RIH with 6-1/4" bit to bridge plug at 2907' RKB and circulate sand to surface. Pull tubing and 6-1/4" bit.

30. PU bridge plug retrieving head on 2-3/8" production tubing, latch, equalize and retrieve bridge plug at 2907' RKB. Pull retrieving head and bridge plug.

Production String

31. *Install 1.78" FWE plug in 1.78" "F" nipple prior to RIH with mud anchor assembly and tubing. Keep well under control by pumping water down intermediate/tubing annulus.*

32. RIH with mud anchor assembly and "F" nipple on 2-3/8" production tubing as follows to set end of tubing at +/- 3139'.

Bottom to Top

Orange Peel X 22' X 10RD Sub
10 RD X 16' X 2-3/8" (8RD) Sub Perforated Top 2' & Bottom 2'
2-3/8" X 1.78" X 2-3/8" "F" Nipple
2-3/8", EUE, 8RD Production Tubing

33. ***ND*** BOP stack. NU and pressure test wellhead assembly. Swab well to pit to ensure air is removed from system, recover fluids, and to initiate production.

Turn well over to production